

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1607 - HB 2071

March 30, 2011

SUMMARY OF BILL: Adds a new type of claim for compensation that can be filed with the Board of Claims. Requires the Board of Claims to hear claims for compensation by persons granted declaratory judgments where it is determined by a court of competent jurisdiction that the policies and procedures relied upon by any state agency, department or institution to permanently terminate a person's participation or enrollment in a federally funded program were not promulgated as rules in accordance with the Uniform Administration Procedures Act (UAPA). Prohibits any resulting payable compensation to a claimant from exceeding \$100,000. Requires any such claim for compensation be filed with the Board no later than one year from the date the claimant is granted the declaratory judgment.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000/Risk Management Fund

Assumptions:

- The fiscal impact is dependent upon multiple unknown factors, such as the extent to which courts grant declaratory judgments in cases where termination of a person's participation or enrollment in a federally funded program was on the basis of rules not being promulgated in accordance with UAPA; the number of additional claims that will be heard by the Board of Claims; the extent of compensation considered for any such claim; and the extent of compensation actually paid on additional claims.
- It is anticipated that additional claim payments from the Risk Management Fund are likely to occur due to state departments and agencies not having promulgated rules and regulations for every possible contingency that might allow vendors to be granted declaratory judgments by the courts.
- The extent of additional claim payments in any given year is unknown and cannot be quantified. For purposes of this fiscal note, it is assumed that at least one claim will be filed where the maximum compensation will be paid as a result of this bill. The increase in state expenditures from the Risk Management Fund is reasonably estimated to exceed \$100,000 per year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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